January 11, 2001

The Honorable Phil Gramm
U. S. Senate
370 Russell Senate Office Building
Washington, DC 20510-4302

Dear Senator Gramm:

On behalf of the Texas Hospital Association, thank you for your support of the Benefits Improvement and Protection Act of 2000, which brings much-needed Medicare relief to hospitals. As you know, this legislation includes important provisions to help preserve rural hospitals, bolster the struggling Medicaid disproportionate share program, maintain the viability of teaching hospitals and support specific providers, like rehabilitation, home health and mental health services.

Texas hospitals are most grateful for your hard work and continuing support. You were accessible to representatives of Texas hospitals, you listened, and you delivered tangible results. THA's preliminary analysis estimates that Texas hospitals will receive approximately $500 million in additional Medicare/Medicaid funds for fiscal years 2001 and 2002. This money will help hospitals in rural Texas survive, and help urban and suburban hospitals maintain a broad range of hospital services to benefit their patients.

Passing this second measure to repair the damage created by the Balanced Budget Act of 1997 was critical for Texas hospitals. Together, BIPA and the Balanced Budget Relief Act of 1999 restore about 26 percent of BBA cuts. The Texas Congressional Delegation used its tremendous leverage to force this issue to a bipartisan victory, and Texas hospitals appreciate you!

Additional Medicare and other health care issues will require your attention again during this 107th session of Congress, and we hope that you will be as receptive to these new concerns as you have been with BBA relief.

We look forward to continuing to work with you and your staff.

Sincerely,

Terry Townsend, FACHE, CAE
President, CEO

Joe A. DaSilva, CHE
Senior Vice President, Public Affairs

cc: THA Board of Trustees
        Rick Pollack, Executive Vice President, American Hospital Association